

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2020

Docket No. ACR2020

CHAIRMAN'S INFORMATION REQUEST NO. 8

(Issued January 29, 2021)

To clarify the Postal Service's FY 2020 Annual Performance Report (*FY 2020 Report*) and FY 2021 Annual Performance Plan (*FY 2021 Plan*),¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than February 5, 2021.

1. The *FY 2020 Report* lists the Postal Service's FY 2020 and FY 2021 strategic initiatives. *FY 2020 Annual Report* at 56. The Postal Service states, "[e]ach strategic initiative has a specific set of measures to track performance aligned to optimize short-term performance and build long-term capabilities." *Id.* at 55.
 - a. Please explain how the strategic initiatives relate to the Postal Service's performance goals and performance indicators.²

¹ The *FY 2020 Report* and *FY 2021 Plan* are included in the Postal Service's FY 2020 *Annual Report to Congress*, which the Postal Service filed with the FY 2020 *Annual Compliance Report*. Library Reference USPS-FY20-17, December 29, 2020, file "FY2020.Annual.Report.USPS.FY20.17.pdf," at 31-57 (*FY 2020 Annual Report*).

² See Docket No. ACR2019, Library Reference USPS-FY19-NP37, February 3, 2020, question 1.a.

- b. In Docket No. ACR2019, the Postal Service provided performance measures and targets for the FY 2020 strategic initiatives. *See id.* question 1.d. Please provide FY 2020 results for each strategic initiative performance measure.
 - c. Please provide the performance measures the Postal Service will use to track performance of strategic initiatives in FY 2021. Please include FY 2021 targets, if applicable.
- 2. In FY 2021, for the High-Quality Service performance goal, Market Dominant Composite will be a new performance indicator that will replace the First-Class Mail Letter and Flat Composite and Marketing Mail and Periodicals Composite performance indicators. *FY 2020 Annual Report* at 33 n.3.
 - a. Please provide the rationale for the change.
 - b. Please describe the methodology the Postal Service will use to calculate the FY 2021 target and result for the Market Dominant Composite performance indicator.
- 3. In the *FY 2021 Plan*, the Postal Service states that beginning in FY 2021, it will no longer use the Deliveries per Total Workhours, Percent Change (DPTWH % Change) as a performance indicator for measuring progress toward the Financial Health performance goal. *Id.* at 52.
 - a. Please explain why the Postal Service will discontinue using the DPTWH % Change as a Financial Health performance indicator.
 - b. Please confirm that the Postal Service will replace DPTWH % Change with another performance indicator for measuring progress toward the Financial Health performance goal.

- c. If confirmed, please:
 - i. Describe the replacement performance indicator, provide a FY 2021 target, and explain the methodology for calculating the FY 2021 target and result for this performance indicator.
 - ii. Explain whether and how the replacement performance indicator will be better than DPTWH % Change for measuring progress toward the Financial Health performance goal.
 - d. If not confirmed, please explain why the Postal Service will not replace DPTWH % Change with a different Financial Health performance indicator.
- 4. Please list all performance indicators the Postal Service will use to measure progress toward the Financial Health performance goal in FY 2021.
 - 5. In Docket No. ACR2019, the Postal Service provided a table explaining the calculation of the DPTWH % Change performance indicator and comparing targets and results over several years.³ Please provide an updated table that includes results for FY 2020.

By the Chairman.

Michael Kubayanda

³ Docket No. ACR2019, Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 24, April 17, 2020.